

# DOES SECURITY ADD VALUE?

BY PROFESSOR MARTIN GILL<sup>1</sup>



**THE UK HAS JUST SEEN THE LAUNCH** of a security wide campaign entitled 'Best value for Business'. It emerged from the work of the Security Research Initiative, a three year programme of study focussing on research to improve understanding of the security sector. A major plank of its work has been interviews with security professionals around the world, including Australia, about the ways in which security functions add value to organisations, and to explore reasons why it sometimes does not.<sup>2</sup>

One of the most striking findings was that many security professionals did not believe that senior colleagues were up to the job of modern day security management. I asked senior members of the security sector this question and the most anyone has answered is 25% and most said much less. Moreover, some security professionals did not think that security did add value, and did not see preventing loss as a way of contributing to profit. Many organisations did not collect any metrics to show they added value. Others however were keen to promote the case for security to be seen as a business enhancing service rather than mere asset protection.

## DOES SECURITY ADD VALUE?

**IT IS PERHAPS HELPFUL TO CHARACTERISE THESE VIEWS.**

In social science we sometimes refer to 'ideal types', what this means is that the category being developed may not exist as described precisely, but it characterises a particular point of view. Along with colleagues I developed two ideal types of security professionals.

On the one hand there are 'Traditionalists'. They perceive security to be a service function and as such can only ever be viewed as a cost on the bottom line, similar to other services. For 'traditionalists', security is organised along command and control lines and judgements of success are based on measures such as the number of arrests made.

On the other hand, 'modern entrepreneurs' believe security should no longer be perceived as a discrete function, but rather as a fundamental part of the business process. The modern entrepreneurs recognise the importance of business concepts and their application to the security world. The security portfolio needs to be led by somebody with business acumen who understands business processes.

At the heart of this issue is the type of leadership that is best suited to a security function. Often one of the most important credentials for an appointment to a senior post on the security industry has been a pension from law enforcement or the military. But are these types of skills the most relevant for managing security in the modern world, or is it more important to be business savvy?

Interviewees were divided. Some felt that security was more important because people could be trained in the business skills fairly easily, some felt just the opposite, that it was easier to train people in the basic requirements of security. Those who are argued the former noted that business skills existed elsewhere in the organisation, most if not all other functions were headed by business minded people and what they were most valued for was their security insights:

Being a person who has not a letter after my name I would say it has to be experience, someone who has been

across security problems before and can manage them. You need someone who can understand security problems.

I can teach an articulate security professional the retail and systems skills required to do his or her job far easier than the reverse. I found in the past 12 years with the people I have done it with, that it is easier to work with someone from the police and services and teach them the simpler skills of retail. They are basically simple. Retail is a lesser skill [than] security.

The alternative view rested on the premises that for security to be integrated it needed to be able to speak the value of business. Various people pointed to the importance of understanding business concepts such as profit and loss, balance sheets, cash flow forecasts, and thereby being able to talk about adding to the bottom line: Business skills, and I came from a detective background. You need people around you with the specialist expertise. That is vital, you must draw upon expertise further down, but the top person needs to be business minded.

**Business skills.** But when I recently did sit with vice presidents I said hiring someone with discretion is the most important. If I had to pick between the two I would choose someone from business and teach them security.

Generally speaking those further up the hierarchy were more likely to point to the need for business skills first. Some pointed to examples:

**Commercial role is crucial.** People do sit as head without basic security experience. Many big hitting companies have very strategic people as head, not security specialists. My predecessor spent his time specking CCTV and such like, but now we are centralising things and so I have a different view, and I struggle with security systems, and I don't know many security people who understand them. I mean specking a shop with all its security, very quickly you are into engineering levels of knowledge. I just don't have the technical know how. I just need to have the expertise of knowing what I want security to do. There is a requirement for

technical guys. What a head does need is a group of specialists.

They were also more likely to highlight the need for metrics to measure performance, and thereby collect evidence that they were adding value.

The process of collecting metrics and interpreting them is not uncomplicated. Indeed many of the models we researched as part of our research were rejected by practitioners as being too complicated. Some were too mathematical and some demanded too much data, for example the Risk Analysis and Management for Critical Asset Protection (RAMCAP) and The National Institute of Standards and Technology (NIST) approaches which emerged on the back of 9/11 in the USA.

Often the reason why metrics were not collected was because companies were not geared up for it, some interviewees accepted that this was an indication of the low status of security within an organisation, some though did not see this as necessary. A risk manager in Australia spoke of a company they had just taken over:

They just did not have any measures in place, we still don't know how they measured their shrinkage and the levels were horrendous, they just accepted them and so we are changing that.

And it created problems. An Australian security manager noted it was very difficult to get support for security expenditure:

Convincing management is the most important thing we have to do and I struggle with that. If I find someone with a security breach, I can find out what it is and who but it depends on management doing something and often they don't. I think they [are] not convinced [of] anything [that] is not tied to their performance indicators, or [believe] it gets in the way of doing business. Prioritisation is a big thing with managers because they are overworked and security is not a priority for them.

Others who did not collect metrics pointed to the fact that it was possible to use information collected elsewhere in the company, others use data provided

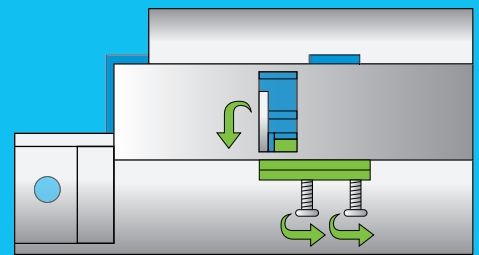


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by clients or used what was available across the industry. But if there is no good data then there is no good evidence for illustrating value.

Similarly, it was surprising to find that often companies did not have an overarching security strategy and certainly not one that linked risks to objectives to business plan to value proposition.

**So where does all of this leave us? Well, as one security professional noted:**

Security personnel are one of the few groups, perhaps the only one, that seems to pride itself at not being businesslike.

The fact of the matter is that security is a key aspect of all organisational processes and modern security management should see security as integral to all organisational activities not as a separate function on the edge. As a consequence it should be viewed as adding value rather than merely protecting loss and certainly not as an unwelcome cost on the bottom line. This will require metrics and some degree of business acumen and people with the vision to see across the organization. Many feel that the Head of Security should be a Board Director, but this is unrealistic, security functions most often are not large enough and the danger of not recognising this is that there is a tendency to see security as a lesser function because it does not have Board representation when in reality it is much more due to the realities of size. However, it should be noted that some interviewees argued that combining security with say contingency planning and continuity (and calling it 'Resilience') for example, or with audit and compliance gave it greater clout and was more likely to justify such high level representation.

Currently one of the biggest losers is

the security supplier. Where they report to an internal security function that is inadequate and/or marginalised the scope for them adding value to corporate objectives is severely limited. Indeed, it is difficult to see how security suppliers can meaningfully tap into organisation where security itself is marginalised or not guided by an overarching strategy. This is a vital finding, and one that may highlight the need for a co-ordinated response across sectors and different parts of the industry, it is important to note that every aspect of security provision has something to gain for achieving a higher status for security, and this is surely true across the world.

In response to these findings the UK has the Best Value for Business Campaign.

The Campaign is supported by the three main security associations in the UK, and a leading security magazine, all backed by a group of companies who provided funding.<sup>3</sup> It has two main aims: to highlight the role of security sector professionals in enhancing value to the organisations they work for, and to improve the perception of the security sector as a business enhancing service rather than just as a cost on the bottom line.

It will be interesting to see how the Campaign evolves but it will hopefully focus on at least four key aspects. The first is education and training, which includes a need to develop courses for security personnel – at all levels – that are management and business based and not just security related. And we also need to encourage the various industry associations to offer business related talks and presentations at their conferences and workshops. All too often there has been a focus on security topics when in fact introducing general business talks may serve the security function better.

Second, we need to influence organisations working in all sectors to

help them to understand the potential value adding capabilities of a modern security function. At present many organisations appear to undervalue their own organisational function or do not see its business enhancing value, we need to think about changing the perceptions of organisational leaders in both the public and private sectors.

Third, we need to deal with staffing issues. There is nothing wrong with the skills sets of those who leave law enforcement and the military, nor the contacts they bring, but it needs to be recognised that the added value propositions of security and the skills that enable them to be realised are not automatically acquired in a uniformed career. The approach characterised by the 'modern entrepreneur' may be more attractive to recruits from other business functions. Finally, we need to find ways of incentivising security staff and of recognising their efforts and contributions.

The interesting thing about security, reflected in the interviews conducted globally, is that the issues are much the same. We have the opportunity going forward to change perceptions, we need to do so, it will be a longer term process but with collective effort the work can start now.

<sup>1</sup> Professor Martin Gill is Director of Perpetuity Research and Consultancy International, and project leader of the Security Research Initiative. He is contactable on [m.gill@perpetuitygroup.com](mailto:m.gill@perpetuitygroup.com). The views in this paper are exclusively those of the author and should not be attributed to any other party.

<sup>2</sup> See, Gill, M., Burns-Howell, A., Keats, G. and Taylor, E. (2007) Demonstrating the Value of Security. Report for the Security Research Initiative. Leicester: Perpetuity Research and Consultancy International. A full copy of the report and the methodology is downloadable from [www.perpetuitygroup.com/prci/publications/html](http://www.perpetuitygroup.com/prci/publications/html).

<sup>3</sup> These are the British Security Industry Association, ASIS International, and The Security Institute and Security Management Today, and the sponsors by Advance Security; Case Security; HSBC; Mitie; Johnson Controls; KPMG; Norbain; OCS-Resolution; Securiplan; Spinnaker International; The Corps; Wilson James and Wyeth Pharmaceuticals.

